



United States Department of Agriculture  
National Agricultural Statistics Service

# AGRI-VIEW



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IN THIS ISSUE:

PRICES RECEIVED

CROP REPORT

WORLD  
AGRICULTURAL  
SUPPLY AND  
DEMAND  
ESTIMATES

SEPTEMBER  
MILK  
PRODUCTION

## SOYBEAN PRICES UP FROM AUGUST

Prices received by Minnesota farmers for soybeans for September averaged \$8.00 per bushel, an increase of 47 cents from the August price. The preliminary corn price for September, at \$3.09 per bushel, was unchanged from August.

The all hog price for September was \$48.40 per cwt., a decrease of \$5.30 from the August price. The all beef cattle price for September was \$86.50 per cwt., an increase of \$1.10 from the August price.

The all milk price for September, at \$21.00 per cwt., was up 20 cents from August.

The preliminary U.S. All Farm Products Index of Prices Received by Farmers in September, at 142 percent, based on 1990-92=100, increased 2 points (1.4 percent) from August. The Crop Index is up 3 points (2.1 percent) and the Livestock Index increased 2 points (1.4 percent).

## AVERAGE PRICES RECEIVED BY FARMERS

| Commodity And Unit               | U.S.           | -----Minnesota----- |                |                |
|----------------------------------|----------------|---------------------|----------------|----------------|
|                                  | Sep<br>2007 1/ | Sep<br>2006 2/      | Aug<br>2007 2/ | Sep<br>2007 1/ |
| Barley, Feed & Malting, bu ..... | 4.27           | 2.51                | 3.28           | 3.85           |
| Beans, Dry Edible, All, cwt..... | 24.90          | 22.60               | 25.90          | 23.00          |
| Kidney, cwt .....                | 4/             | 3/                  | 3/             | 3/             |
| Navy, cwt .....                  | 4/             | 3/                  | 3/             | 3/             |
| Pinto, cwt .....                 | 4/             | 3/                  | 3/             | 3/             |
| Corn, bu .....                   | 3.19           | 1.96                | 3.09           | 3.09           |
| Hay, All Baled, ton .....        | 132.00         | 66.00               | 103.00         | 108.00         |
| Alfalfa, Baled, ton .....        | 135.00         | 70.00               | 107.00         | 113.00         |
| Other, Baled, ton .....          | 124.00         | 48.00               | 88.00          | 82.00          |
| Oats, bu .....                   | 2.30           | 1.69                | 2.17           | 2.25           |
| Potatoes, cwt .....              | 6.47           | 7.05                | 9.90           | 8.40           |
| Soybeans, bu .....               | 8.34           | 5.07                | 7.53           | 8.00           |
| Sunflowers, All, cwt.....        | 18.10          | 16.20               | 15.60          | 17.50          |
| Wheat, All, bu.....              | 7.16           | 4.22                | 5.73           | 6.69           |
| Calves, cwt.....                 | 128.00         | 133.00              | 132.00         | 131.00         |
| Cattle, All Beef, cwt 5/.....    | 93.30          | 80.60               | 85.40          | 86.50          |
| Cows, cwt, 6/ .....              | 50.30          | 51.40               | 54.30          | 53.50          |
| Steers & Heifers, cwt.....       | 98.10          | 86.20               | 89.60          | 91.00          |
| Milk Cows, head 7/.....          | --             | --                  | --             | --             |
| Hogs, All, cwt .....             | 47.00          | 51.30               | 53.70          | 48.40          |
| Barrows & Gilts, cwt .....       | 47.40          | 51.50               | 53.80          | 48.50          |
| Sows, cwt .....                  | 37.10          | 36.70               | 37.90          | 39.00          |
| Lambs, cwt 8/ .....              | --             | 99.00               | 104.00         | --             |
| Sheep, cwt 8/ .....              | --             | 30.00               | 29.50          | --             |
| Milk, All, cwt .....             | 21.80          | 13.40               | 20.80          | 21.00          |
| Eggs, Table Market, doz .....    | 0.96           | 0.38                | 0.77           | 1.01           |

1/ Preliminary. 2/ Entire month data. 3/ Price not published to avoid disclosure of individual farms. 4/ Price not set at the US level. 5/ "cows" and "steers and heifers" combined. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct. 8/ Preliminary prices discontinued Jan. 1996.

## U.S. INDEX SUMMARY (1990-92 = 100)

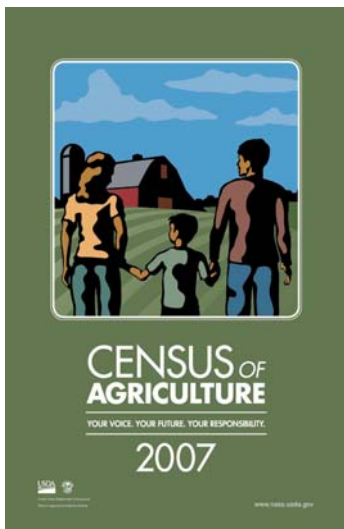
| Item   | Aug<br>2006 | Sep<br>2006 | Aug<br>2007 | Sep<br>2007 |
|--|-------------|-------------|-------------|-------------|
| Prices Received .....                              | 119         | 119         | 140         | 142         |
| Prices Paid (Interest, Taxes,<br>Wage Rates) ..... | 149         | 149         | 158         | 159         |
| Parity Ratio 1/ .....                              | 80          | 80          | 89          | 89          |

1/ Computed by dividing Prices Received Index by Prices Paid Index.

## U.S. INDEX OF PRICES RECEIVED (1990-92 = 100)

| Commodities             | Sep<br>2006 1/ | Aug<br>2007 1/ | Sep<br>2007 2/ |
|-------------------------|----------------|----------------|----------------|
| All Farm Products ..... | 119            | 140            | 142            |
| Crops .....             | 121            | 141            | 144            |
| Meat Animals .....      | 120            | 123            | 122            |
| Dairy Products .....    | 100            | 165            | 167            |
| Poultry & Eggs .....    | 124            | 153            | 159            |

1/ Entire month data. 2/ Preliminary



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## MINNESOTA CORN PRODUCTION UP SLIGHTLY FROM LAST MONTH

The October 1 **CORN** production is forecasted at 1.22 billion bushels, up 1 percent from September 1, and up 11 percent from last year. Corn yield is forecasted at 156.0 bushels per acre, down 2 bushels per acre from the September 1 forecast, and down 5 bushels from last year. Updated planted acreage is 8.40 million acres, with harvested acreage estimated at 7.85 million acres.

**SOYBEAN** production for Minnesota is forecast at 258 million bushels, down 1 percent from the September 1 forecast, and down 19 percent from last year's record high production. Based on October 1 conditions, the soybean yield is forecast at 42.0 bushels per acre, unchanged from September 1, but down 2 bushels per acre from last year. Updated planted acreage is 6.25 million acres, with harvested acreage estimated at 6.15 million acres.

**SUGARBEET** production is forecast at 10.8 million tons, up 2 percent from the September forecast. Yield is forecast at 22.8 tons per acre, up 0.4 tons per acre from September 1, but down 2.1 tons per acre from last year.

**DRY BEAN** production is estimated at 2.52 million hundredweight, up 13 percent from last year. Yield is forecast at 1,800 pounds per acre, up 150 pounds per acre from last year. Updated planted acreage is 150,000 acres, with harvested acreage estimated at 140,000 acres.

**ALL SUNFLOWER** production is forecast at 190 million pounds, up 27 percent from 2006. Yield is forecast at 1,584 pounds per acre, compared to 1,756 pounds per acre in 2006.

### U.S. HIGHLIGHTS

**CORN** production is forecast at 13.3 billion bushels, up slightly from last month, and 26 percent above 2006. Based on conditions as of October 1, yields are expected to average 154.7 bushels per acre, down 1.1 bushels from September, but 5.6 bushels above last year. If realized, this would be the second highest yield on record, behind the 160.4 bushel yield in 2004. Production would be the largest on record as growers expect to harvest the most corn acres for grain since 1933. Forecast yields are higher than last year across the Great Plains, central Corn Belt and Delta where adequate rainfall during much of the season provided favorable growing conditions. Expected yields across the Ohio and Tennessee Valleys, Northeast, and mid-Atlantic states are down from last year as drought conditions during much of the growing season reduced soil moisture levels and stressed the crop.

**SOYBEAN** production is forecast at 2.60 billion bushels, down less than 1 percent from the September forecast, and down 19 percent from last year's record high. Based on October 1 conditions, yields are expected to average 41.4 bushels per acre, unchanged from last month, but down 1.3 bushels from last year. Compared with last month, yields are forecast lower in Illinois, Kentucky, Tennessee, Wisconsin, and most of the Atlantic Coast states. Hot, dry conditions continued to cause most of the decline, especially in Delaware, Illinois, Kentucky, Virginia, and the Carolinas, all down at least 2 bushels from last month. Yields increased from the September 1 forecast in Iowa, Ohio, New York, the Dakotas, and most of the Gulf Coast states.

### MINNESOTA & U.S. HARVESTED ACRES, YIELD, AND PRODUCTION

| COMMODITY            | 2006<br>HARVESTED<br>ACRES<br>(000) | 2007<br>HARVESTED<br>ACRES<br>(000) | 2006<br>YIELD | 2007<br>YIELD | 2006<br>PRODUCTION<br>(000) | 2007<br>PRODUCTION<br>(000) |
|----------------------|-------------------------------------|-------------------------------------|---------------|---------------|-----------------------------|-----------------------------|
| <b>MINNESOTA</b>     |                                     |                                     |               |               |                             |                             |
| CORN (Bu)            | 6,850                               | 7,850                               | 161.0         | 156.0         | 1,102,850                   | 1,224,600                   |
| SOYBEANS (Bu)        | 7,250                               | 6,150                               | 44.0          | 42.0          | 319,000                     | 258,300                     |
| SUGARBEETS (Ton)     | 477                                 | 475                                 | 24.9          | 22.8          | 11,877                      | 10,830                      |
| DRY BEANS 1/         | 135                                 | 140                                 | 1,650         | 1,800         | 2,228                       | 2,520                       |
| SUNFLOWERS (Lb)      | 85                                  | 120                                 | 1,756         | 1,584         | 149,250                     | 190,100                     |
| CANOLA (Lb)          | 27                                  | 30                                  | 1,330         | 1,330         | 35,910                      | 39,900                      |
| ALFALFA HAY (Ton)    | 1,350                               | 1,300                               | 3.30          | 3.00          | 4,455                       | 3,900                       |
| OTHER HAY (Ton)      | 720                                 | 800                                 | 1.70          | 1.50          | 1,224                       | 1,200                       |
| <b>UNITED STATES</b> |                                     |                                     |               |               |                             |                             |
| CORN (Bu)            | 70,648                              | 86,071                              | 149.1         | 154.7         | 10,534,868                  | 13,318,102                  |
| SOYBEANS (Bu)        | 74,602                              | 62,818                              | 42.7          | 41.4          | 3,188,247                   | 2,598,046                   |
| SUGARBEETS (Ton)     | 1,304                               | 1,241                               | 26.1          | 24.5          | 34,064                      | 30,382                      |
| DRY BEANS 1/         | 1,538                               | 1,463                               | 1,577         | 1,727         | 24,247                      | 25,264                      |
| SUNFLOWERS (Lb)      | 1,770                               | 1,970                               | 1,211         | 1,468         | 2,143,613                   | 2,891,985                   |
| CANOLA (Lb)          | 1,021                               | 1,144                               | 1,366         | 1,312         | 1,394,332                   | 1,501,341                   |
| ALFALFA HAY (Ton)    | 21,384                              | 21,451                              | 3.35          | 3.37          | 71,666                      | 72,347                      |
| OTHER HAY (Ton)      | 39,423                              | 40,338                              | 1.78          | 1.87          | 70,000                      | 75,617                      |

1/ Yield in lb: production in cwt.

## WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

**WHEAT:** U.S. wheat ending stocks for 2007/08 are projected at 307 million bushels, down 55 million bushels from last month, reflecting lower production and higher use as an increase in projected exports more than offsets lower projected feed and residual use. If realized, this year's ending stocks would be the lowest since 1948/49. Production is lowered 47 million bushels this month based on the latest production estimate from the Small Grains Summary report. Feed and residual use is projected 45 million bushels lower this month as strong export demand and higher prices are expected to limit wheat feeding during the remainder of the 2007/08 marketing year. Exports are raised 50 million bushels, reflecting tighter world supplies and the strong pace of U.S. shipments and sales to date. The season-average farm price is projected at \$5.80 to \$6.40 per bushel, up 30 cents on each end of the range from last month, and well above the record of \$4.55 per bushel in 1995/96.

**COARSE GRAINS:** Projected U.S. ending stocks of corn for 2007/08 are raised 322 million bushels this month on larger supplies and lower domestic consumption which more than offset an increase in projected exports. Production is forecast at 13.318 billion bushels, up just 10 million, as an increase in area is nearly offset by lower forecast yields. Total corn supplies are projected at a record 14.6 billion bushels, based on slightly higher production, and increased carryin as reported in the September Grain Stocks report. Feed and residual use is lowered 150 million bushels based on the slower rate of domestic use implied by September 1 stocks. Corn use for ethanol in 2007/08 is lowered 100 million bushels, reflecting lower indicated plant capacity utilization and lower returns for ethanol producers due to recent declines in ethanol prices and continued strength in corn prices. Exports are projected 100 million bushels higher on tighter foreign grain supplies and strong export sales. At the projected 2.35 billion bushels, 2007/08 exports would be the highest in 18 years. The season-average farm price is projected at \$2.90 to \$3.50 per bushel, up 10 cents on both ends of the range, reflecting continued strong cash prices supported by strong export demand and higher soybean and wheat prices.

**OILSEEDS:** U.S. oilseed ending stocks for 2007/08 are nearly unchanged from last month as increased supplies are offset by higher exports and crush. Oilseed supplies are forecast higher this month mainly due to production increases for sunflowerseed, peanuts, and cottonseed. Soybean production is forecast down 21 million bushels, to 2.598 billion, due to this month's acreage reductions. Planted and harvested area are both lowered 0.4 million acres. Total soybean supply is forecast almost unchanged, as reduced crop production is nearly offset by increased beginning stocks. Soybean ending stocks are projected at 215 million bushels, unchanged from last month. Soybean oil ending stocks are raised for both 2006/07 and 2007/08, reflecting weaker-than-expected domestic disappearance for food use in 2006/07.

The U.S. season-average soybean price range for 2007/08 is projected at \$7.85 to \$8.85, up 50 cents on both ends of the range as prices during harvest have been unseasonably strong. Product prices are also raised this month. The soybean meal price is projected at \$220 to \$250 per short ton, up \$15 on both ends of the range. The soybean oil price range is projected at 34.5 to 38.5 cents per pound, up 1.5 cents on both ends of the range.

**SUGAR:** Projected 2007/08 U.S. sugar supply is increased 97,000 short tons, raw value, from last month as higher production and imports more than offset lower beginning stocks. Production is increased 105,000 tons based on processors' projections compiled by the Farm Service Agency. Beet sugar production is increased 107,000 tons. Tariff rate quota imports are increased 14,000 tons to account for Costa Rica's quota under the Dominican Republic-Central American Free Trade Agreement. Use is unchanged.

For 2006/07, ending stocks are decreased 22,000 tons from last month to account for minor changes in production estimates and imports.

**LIVESTOCK, POULTRY, DAIRY:** The forecast for total 2007 U.S. meat production is raised slightly as higher forecast pork and turkey production more than offset reduced beef and broiler output. Pork production is raised as the Quarterly Hogs and Pigs report, released September 28, indicated increased supplies of market hogs. Turkey production is increased as bird numbers continue to build. Beef production is reduced due to a slower-than-expected pace of fed cattle marketings. Broiler production data through August indicates lower output in the third quarter. For 2008, the total meat production forecast is raised due mainly to increased pork output. The Quarterly Hogs and Pigs report indicated that producers intend to increase sows farrowing into 2008, and coupled with continued growth in pigs per litter, hog supplies will be larger and support increased slaughter in 2008. Turkey production is also increased. Beef production is reduced fractionally, and broiler meat production is unchanged.

Forecast 2007 meat exports are raised due to expected relatively strong shipments of beef, pork, and broiler meat during the third quarter. Forecast exports for 2008 are increased from last month, primarily reflecting expectations of stronger beef and broiler exports.

Forecasts for 2007 and 2008 cattle prices are increased as cattle supplies are expected to be tight through next year. Forecast hog prices are reduced for both 2007 and 2008 as supplies of pork are forecast higher than last month. Broiler prices are forecast lower as supplies of meats are expected to be larger. Egg prices are increased slightly for 2007 reflecting current demand strength.

Milk production forecasts for 2007 and 2008 are raised. Producers continue to respond to high milk prices with high replacement heifer and calf prices pointing to continued expansion plans. Milk per cow growth into 2008 is expected to be moderated by tight supplies of alfalfa hay and relatively high feed prices. Stocks, both on a fat and skim-solids basis, are forecast higher than last month reflecting increased supplies of butter and stocks of nonfat dry milk (NDM). Although NDM stocks are expected to dissipate somewhat as product moves into export channels, increased production of dairy products in 2008 likely will result in somewhat higher fat and skim-solids basis stocks than forecast last month.

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Higher milk production is expected to pressure prices despite relatively robust demand. Cheese, butter, and whey prices are reduced as supplies are expected to build. NDM prices should remain relatively strong despite increased production as world supplies are expected to remain tight through much of 2008. Dry whey prices are lowered as prices have dropped significantly.

As a result of generally reduced product price forecasts, Class price forecasts are reduced. The Class III price forecasts are lowered for 2007 and 2008 due to lower cheese and whey prices. The Class IV price forecast for both years is lowered as a lower butter price forecast more than offsets slightly higher forecast NDM prices.

For 2007 and 2008 the all milk price forecasts are also reduced, with prices in 2007 forecast to average a record \$18.95 to \$19.05 per cwt, and decline to \$17.70 to \$18.60 per cwt in 2008.

SOURCE: USDA-WAOB- WASDE- 451, October 12, 2007

Douglas A. Hartwig  
Director

## SEPTEMBER MILK OUTPUT UP 2.9 PERCENT IN MINNESOTA

Totaling 681 million pounds, the state's September milk production was up 2.9 percent from September 2006.

Output per cow was 1,470 pounds in September, unchanged from last September. Milk cows for September averaged 463,000 head, the same as August, and up 13,000 from a year ago.

September 2007 milk output in the 23 major states was 13.7 billion pounds, up 3.1 percent from September 2006. Milk cows in the 23 states averaged 8.34 million head, up 91,000 from the previous year. At 1,644 pounds, production per cow was 31 pounds greater than September 2006.

### AUGUST/SEPTEMBER 2007 MILK PRODUCTION

| State            | Milk Production     |            | Percent of Previous Year |              |
|------------------|---------------------|------------|--------------------------|--------------|
|                  | Aug                 | Sept       | Aug                      | Sept         |
|                  | <i>Million Lbs.</i> |            | <i>Percent</i>           |              |
| California       | 3,454               | 3,252      | 104.9                    | 103.3        |
| Idaho            | 1,024               | 979        | 105.1                    | 106.0        |
| <b>Minnesota</b> | <b>720</b>          | <b>681</b> | 105.0                    | <b>102.9</b> |
| New York         | 1,025               | 983        | 102.3                    | 102.8        |
| Pennsylvania     | 893                 | 853        | 102.1                    | 98.8         |
| Wisconsin        | 2,047               | 1,953      | 104.5                    | 96.7         |
| 23 States        | 14,332              | 13,715     | 103.6                    | 103.1        |

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